

# Maize Weekly Research Report

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## **EXECUTIVE SUMMARY**

### **DOMESTIC MAIZE MARKET SUMMARY**

Overall maize cash markets traded firm during the week and are likely to trade firm ahead due to scarcity of the good quality material amid high feed makers demand. As trade sources revealed that imports are not being possible due to Ukraine crop quality and firmness of Indian maize prices could continue.

In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Nizamabad, Kamareddy, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.

As per trade sources, India exported 29,016 MT of maize for the month of November'18 at an average FoB of \$241.33/ MT. Indian maize is exported mainly to Nepal followed by Philippines, Sri Lanka and Qatar mainly through JNPT followed by Raxaul and Mundra port.

### **STATE WISE RABI SOWING COVERAGE**

In India, Rabi maize has been sown in around 13.61 lakh hectares as of 11th January, 2019 which is lower than 15.13 lakh hectares during corresponding period last year. In Bihar, maize has been sown in around 4.57 lakh hectare which is almost equal to 4.66 lakh hectares during corresponding period last year. In Karnataka, it has been sown in around 0.81 lakh hectare which is lower than 0.99 lakh hectares during corresponding period last year. In Maharashtra, it has been sown in around 1.01 lakh hectares which are lower than 1.84 lakh hectares during corresponding period last year. In Maharashtra, maize area is likely to shift towards sugarcane. In Gujarat, maize progressive area of Rabi 2018-19 is 0.96 lakh hectares which is equal to corresponding period last year. However, in Telangana, Maize sowing for the Rabi season as of 11th Jan'19 reported at 0.94 lakh hectares which is higher than 0.88 lakh hectares in the corresponding period last year. It is at vegetative stage.

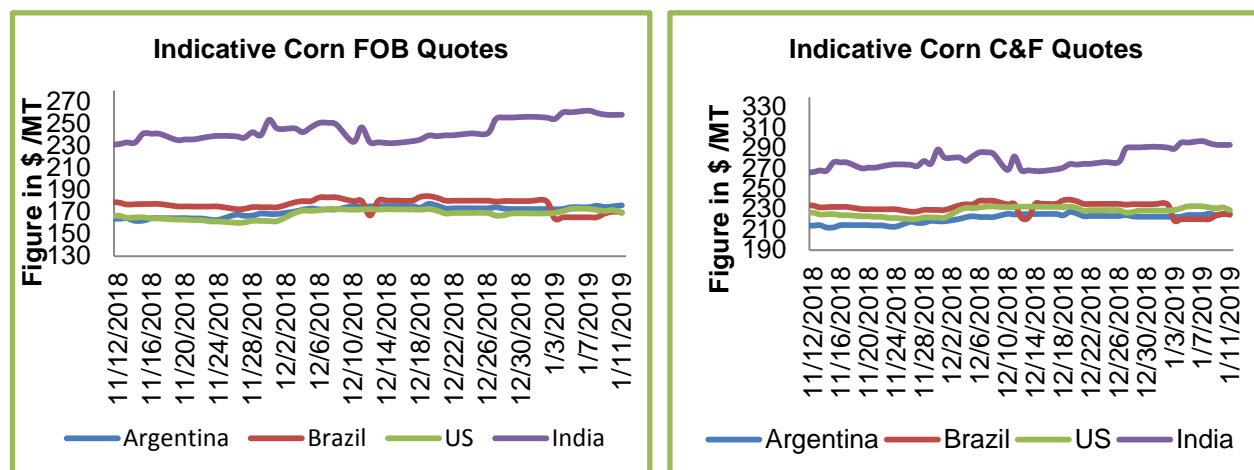
### **RECOMMENDATION:**

Weekly Call - : Market participants are advised to wait in Maize as there is no trade volume in to the market. In Davangere cash market, maize (loose) prices are likely to trade at Rs. 1800-1900 per quintal for the week.

### **INTERNATIONAL CORN MARKET SUMMARY**

Corn on CBOT fall by 1.38 USD/ MT to 148.12 USD/MT for Mar'19 contract compared to last week. However, poor crop weather conditions in South America could support to CBOT corn market.

### EXPORT PARITY TREND



Indian C&F Rate to Thailand vs. other Countries (\$1= Rs. 70.47)				
As on 11.01.2019	Argentina	Brazil	US	India
FOB	175.98	169.50	169.00	258.12
C&F	225.98	224.50	229.00	293.12

As depicted by the above data, there is no parity for Indian maize as gap of prices between India and other exporting countries has broadened.

### TRADE SCENARIO

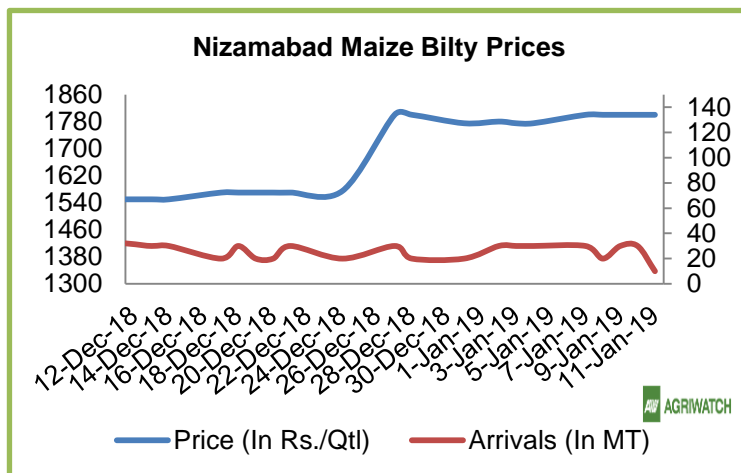
From the trade point of view, In Nizamabad, maize is moving to Hyderabad at Rs. 1900 per quintal. Meanwhile, it is moving towards Bangalore and Namakkal at Rs. 1990 per quintal each, Chitradurga at Rs. 1880 per quintal, Chennai at Rs. 2000 per quintal and Ranebennur at Rs. 1850 per quintal (Delivered price); sourced from Davangere. In Bihar, maize is moving towards Kolkata and Jharkhand at Rs. 1950 per quintal each.

## CURRENT MARKET DYNAMICS:

During the week under review, firm sentiments witnessed in most of the major spot markets of maize. The various key spot markets dynamics are as under:

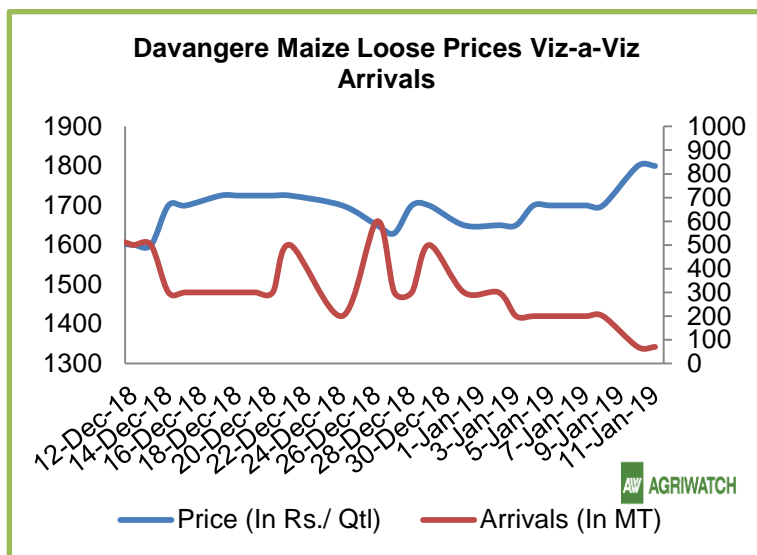
### ANDHRA PRADESH & TELANGANA:

- In Nizamabad, most of the material arriving in open market is of low quality; around 7-8% grain is damaged and small in size. Nizamabad, Kamareddy, Warangal (U) (R), Nirmal, Karimnagar and Mahabubabad districts are affected by fall army worm. Trade sources revealed that in Nizamabad, around 10-15% crop is affected by fall army worm.
- During the week, prices in Andhra Pradesh remained subdued amid scarcity of the good quality material and fresh demand of Tamil Nadu feed makers leading to maize cash market. Further prices direction could depend on the stock release by Government into the market.



### KARNATAKA:

- In Davangere region of Karnataka, maize is likely to trade steady to slightly firm due to local stockists demand at Rs. 1800-1850 per quintal (Delivered Price). Demand from Bangalore and Tamil Nadu feed makers is supporting to maize cash market. As per trade source, around 40,000 MT of maize has been stocked by stockists.



## DOMESTIC MAIZE OUTLOOK:

Prices of standard quality maize are likely to be steady to firm in the near term.

**INTERNATIONAL CORN OUTLOOK:**

Corn on CBOT fall by 1.38 USD/ MT to 148.12 USD/MT for Mar'19 contract compared to last week. However, poor crop weather conditions in South America could support to CBOT corn market.

**DAVANGERE MARKET ANALYSIS: MAIZE**



In Davangere cash market, maize (loose) prices are likely to trade at Rs.1800-1900 per quintal for the week.

# ANNEXURE

## MAIZE SPOT MARKET PRICES (RS. /QUINTAL)

Maize(Corn)Weekly Prices:						
Market	Grade	10-Jan-19	3-Jan-19	10-Dec-18	10-Jan-18	10-Jan-17
Naugachia	Bilty	1825	1875	1725	1225	1600
Delhi	Hybrid Maize (U.P.)	1900	1850	1750	1325	1570
Davangere	Loose Price	1800	1650	1550	1230	1480
Shimoga	Bilty	1810	1660	1610	1300	1420
Ranebennur	Bilty	1825	1680	1680	1240	1450
Bagalkot	Hybrid/Local	1850	1686	1633	1137	1436
Gadag	Local	1775	1646	1583	1140	1509
Nizamabad	Bilty	1800	1775	1550	1340	1460
Khanna	Bilty	1950	1990	1690	1410	1650
Sangli	Feed	1961	1800	1717	1273	1470
Ahmedabad	Feed	2000	1800	1800	1310	1510
	Starch	2000	1850	1800	1340	1525

Maize CBOT Weekly Futures Price Listing (USD/Ton)				
	Contract Month	10-Jan-19	03-Jan-19	Change
Corn CBOT Prices	Mar-19	148.12	149.50	-1.38
	May-19	151.37	152.55	-1.18
	Jul-19	154.42	155.41	-0.98
	Sep-19	155.50	156.29	-0.79
	Dec-19	157.08	157.87	-0.79

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